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EFFECTS OF EXPORTS

by DAVID I. VERWAY, *Research Professor, Division of Research, Graduate School of Business Administration, Michigan State University*

The number of Michigan jobs directly and indirectly related to exports of manufactured products totaled 212,600 during 1976, according to a report just released by the Bureau of the Census. This figure represents 6 percent of total Michigan civilian employment in that year, making Michigan second only to Connecticut, for which the figure was 6.2 percent. Ohio was third (5.6 percent), Indiana fourth (5.5 percent). Nationwide, 3,452,100 jobs, or 4 percent of civilian employment, resulted from exports of manufactured products.

DIRECT EXPORTS

During spring 1977, all manufacturing establishments with 250 or more employees and selected establishments with fewer than 250 were asked by the Bureau of the Census to report the value of their direct exports to other countries during the previous year. Direct exports are products sent directly from the plant to another country or those known to have been exported, without further processing, through a broker or another intermediary. Because a vast number of small establishments did not have to report, the figures are well below the known volume of exports tabulated from shippers' export declarations. Also, a sizable volume of exporting occurs without the producer's knowledge. Northern hardwood, for example, might go by truck or rail to Minneapolis, thence to New Orleans by barge, and finally to Japan by ship.

The purpose of the plant survey was to develop estimates of the geographic origin of manufactured exports. The results were used to estimate U.S. export figures by state and industry. Also, they were adjusted to represent values, f.o.b., plant; that is, the value of the shipment at the plant, before transportation and other costs of getting it to the U. S. border were added.

More than $8 billion in direct exports originated in California factories. Michigan was second, with $6.9 billion, and Illinois third, with $6.7 billion. Michigan's prominence is a result of capturing a large share of the Canadian market for cars and trucks, as well as components for motor vehicles. The Canadian Automobile Agreement (Automotive Products Trade Act of 1975) allows producers to ship parts and completed vehicles between the two countries without duties and other trade restrictions, although there are some controls. For example, Chrysler Corporation assembles all of its Cordobas and Magnums in Windsor, and all of its Newports, New Yorkers, and St. Regises in Detroit, irrespective of where they are sold; parts for these vehicles are fabricated in both countries. Largely because of the agreement, about half of U. S. exports of motor vehicles and parts were shipped from Michigan plants. These represent two-thirds of Michigan exports. Other significant Michigan direct exports include construction, industrial, and farm and garden machinery; pharmaceuticals; large home appliances; and meat products.

SUPPORTING MANUFACTURED EXPORTS

Indirect manufactured exports include components, parts, supplies, and so forth, that are made in other plants and incorporated into the

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products of plants which actually export. These supporting or embodied exports were evaluated by means of what economists call an input-output matrix, a set of equations designed to measure, among other things, how much every other industry must produce to enable any one to export what it does. After making these calculations, the Bureau of the Census allocated the figures among the states based on each state's share of U. S. production that was not exported, for each industry.

In value of embodied exports, Ohio was first, with $4.8 billion; Pennsylvania was second, with $4.3 billion. Steel mills in those states were largely responsible for those rankings. California was third, although no product category was outstanding. Illinois was fourth because of its steel mills, and Michigan was fifth due to the manufacture of vehicles and components.

All told, California was by far the dominant state in the value of factory shipments (direct and supporting) attributed to manufactured exports (see Table 1). Michigan was second, Ohio third, Illinois fourth, and Pennsylvania fifth. It is not surprising that the nation's industrial heartland is well represented in such a listing.

In terms of the relative importance of exports to each state's manufacturers, Washington was by far the dominant state; approximately 22 percent of manufacturers' shipments were exported, either directly or indirectly (see Table 1). The Boeing Company was responsible for about half of that figure, and the lumber and wood products industries for one-quarter. Arizona, Connecticut, Vermont, and West Virginia followed Washington. Michigan ranked sixth, with 13.3 percent of manufacturers' shipments reported as export related during 1976.

JOB CREATION

Estimates of the number of factory jobs generated by manufactured exports were developed on the assumption that the percentage of jobs so created was the same as exports' percentage of total factory shipments. For Michigan, the number of such jobs was 147,900, or 14.1 percent of all manufacturing employment in the state. Five states were higher: California (196,500), Ohio (165,700), Pennsylvania (160,000), Illinois (156,900), and New York (153,500). Michigan's rank in jobs is below its rank in manufactured exports because of relatively higher output (and pay) per worker in the automotive sector.

The input-output procedure also was used to estimate the requirements from the nonmanufacturing sector of the nation's economy and from that the effect on jobs in each state. California was the leader (126,000), followed by New York (122,200), Illinois (83,500), Pennsylvania (79,100), Texas (79,000), Ohio (76,600), and Michigan (64,700). In this state, 17,800 of the nonfactory jobs created by manufactured exports were in business services; 14,000 in wholesale and retail trade; 13,400 in transportation, communication, and public utilities; and 19,500 in mining, agriculture, and other industries.

TABLE 1
Top Ten States in Value of Export-Related Manufacturers' Shipments: 1976

Value of manufacturers' shipments

State	*Direct*[a]	*Supporting*[b]	*Total*	*Percentage*[c]
California	8,071.8	3,952.4	12,024.2	11.8
Michigan	6,888.1	3,763.2	10,651.3	13.3
Ohio	5,793.6	4,782.4	10,576.0	12.7
Illinois	6,659.6	3,773.0	10,432.6	12.7
Pennsylvania	4,706.0	4,272.2	8,978.2	12.5
Texas	5,200.6	3,446.5	8,647.1	11.2
New York	5,320.2	3,072.8	8,393.0	11.0
Indiana	2,827.6	2,744.0	5,571.6	12.3
New Jersey	2,660.2	2,057.8	4,718.0	10.3
Washington	3,234.7	884.0	4,118.7	21.9
Total, top ten	51,362.4	32,748.3	84,110.7	12.3
Total, U.S.	83,098.0	54,098.0	137,729.9	11.6

SOURCE: Bureau of the Census, *Annual Survey of Manufacturers 1976, Origin of Exports of Manufacturing Establishments* (Washington, D.C.: 1979), M76 (AS)-8 Supplement 3, Table 3.
a. Includes only the value of manufactured products exported by the producing plants or their agents.
b. Includes components, parts, supplies, and so forth, shipped from other plants and incorporated into the products shipped to other countries by the plants from which the exports originated.
c. Total exports as a percentage of total manufacturers' shipments.

TOKYO ROUND

Downsizing, dollar devaluation, and the transfer of purchasing power to oil producing countries have expanded overseas markets for Canadian and U. S. automotive products. Overseas exports of passenger cars from both countries will total approximately 275,000 this year, 16 percent above the 1978 level and 45 percent above 1977. For Michigan, this growth translates into less dependence on the Canadian market. Canadian production of vehicles and parts is on the threshold of rapid expansion due to new investment by General Motors, Ford, and Chrysler, indicating that outsiders such as Michigan may have a smaller share of that market.

Overseas markets for Michigan products will receive additional stimulus from the Tokyo Round of trade negotiations held by ninety-nine countries. The talks culminated in a package of measures designed to reduce impediments to international trade substantially. According to a statement released by the Presidential Office of the Special Trade Representative,

> the tariff negotiations will provide some benefit and very little loss to the motor vehicle industry in Michigan. Japan and some other developed countries like Switzerland and Norway have made significant cuts in their automotive tariffs which should aid the expansion of U. S. exports of trucks, buses, and cars. Japan reduced auto tariffs 61 percent to an average rate of less than 3 percent. On the other hand, U.S. tariff cuts on trucks and autos were minimal—less than 20 percent on the average—so that U.S. and Japan average tariff rates will be nearly equal. In the area of nontariff measures, benefits will be more substantial. The standards code provides an especially important mechanism for dealing with standards that have been a significant and growing barrier to international trade in motor vehicles, while the code's prohibition of discrimination against imported products in certification and testing should prove particularly helpful to vehicle exporters. The customs valuation and government procurement codes should help reduce the customs problems in exporting and im-

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Trends in Michigan Bank Concentration

by ROBERT THURMAN, *Graduate Assistant, Division of Research, Graduate School of Business Administration, Michigan State University, East Lansing, Michigan*

Until 1972, the number of banks in Michigan had been decreasing. Between 1960 and that year, for example, the bank population declined from 383 to 331, a drop of 13.6 percent. One study found that mergers were responsible.[1] The researcher predicted that the Bank Holding Company Act of 1971 would stabilize the situation. In fact, by the end of 1978, the number of banks had increased to 365. In addition, the number of branches had increased from 1,354 in 1973 to 1,733 in 1978.

In assessing the changing competitive structure of this industry, it is important to focus on the number of banking organizations that are truly independent of one another. In 1972, there were twenty-three bank holding companies: twenty held one bank and three held more than one. By 1978, there were twenty single-bank holding companies and twenty-two multibank holding companies, the latter controlling a total of 133 banks. Counting all the banks controlled by one holding company as one organization, the total number of banking organizations declined to 254, a drop of 23.3 percent.

CONCENTRATION OF DEPOSITS

Table 1 shows the change in statewide concentration of the banking system as measured by the percentage of deposits held by the top twenty organizations. In 1960, the top twenty controlled 71.4 percent of total deposits. This figure declined to 68.1 percent in 1972 and to 66.5 percent in 1975, more than three years after the new law.

A similar pattern is noted for the top five organizations. The percentage of total deposits declined from 52.1 percent in 1960 to 45.6 percent in 1975. If reduced concentration of resources increases competition, and if more competition means better service and lower prices, this trend can be viewed as being to the public's benefit.

Since 1975, the trend toward less statewide concentration seems to have been reversed. From 1975 to 1978, the twenty largest organizations increased control of deposits by 6.9 percentage points and the five largest by 3.7 percentage points, to nearly 50 percent of total deposits. One could then argue that bank holding companies are leading to greater concentration and less competition.

Since 1960, however, deposits have become distributed more evenly among the top twenty organizations. The sixth through the twentieth largest controlled 19.3 percent of deposits in 1960 and 24.1 percent in 1978. The totals for the top twenty organizations in those two years were 71.4 percent and 73.4 percent, respectively. With deposits spread more evenly among the large banks, competition may be stiffer as these organizations compete among themselves to increase market share.

Deposits show indications of being spread more evenly among banks within an organization as well. In 1973, the

TABLE 1

Cumulative Percentage of Deposits Held by Michigan's Largest Banking Organizations, 1960–1978

	1960	*1965*	*1972*	*1975*	*1978*
Top 1	21.8	19.7	19.5	15.9	17.7
Top 2	32.7	29.6	28.5	25.3	28.5
Top 3	42.2	39.1	37.2	33.9	37.1
Top 4	48.1	44.9	42.4	42.0	45.7
Top 5	52.1	48.7	46.7	45.6	49.3
Top 10	62.0	49.8	58.7	58.1	62.0
Top 20	71.4	69.3	68.1	66.5	73.4

SOURCES: Financial Institutions Bureau, Michigan Department of Commerce (Lansing, Michigan: 1975, 1978); and Douglas V. Austin, *Revolution and Evolution of the Michigan Banking Structure, 1960–1972* (Toledo, Ohio: The Financial Institutions Academy, Business Research Center, College of Business Administration, The University of Toledo, 1973).

TABLE 2

Concentration of Bank Resources on June 30, 1978, and Change in Concentration since June 30, 1973

County	*Number of organizations 6/30/78*	*Change in organizations since 6/30/73*	*H index 6/30/78*	*Change in H index since 6/30/73*
Alcona	2	+ 1	.82	− .18
Alger	3	—	.31	− .05
Allegan	5	− 1	.23	—
Alpena	3	+ 1	.50	—
Antrim	5	—	.25	− .02
Arenac	4	+ 2	.65	− .03
Baraga	2	—	.58	+ .02
Barry	6	+ 1	.33	+ .06
Bay	6	+ 1	.45	− .09
Benzie	4	+ 1	.33	− .01
Berrien	10	+ 1	.20	—
Branch	3	—	.28	− .06
Calhoun	8	—	.41	—
Cass	4	− 1	.34	+ .07
Charlevoix	4	—	.43	+ .01
Cheboygan	2	—	.50	− .01
Chippewa	4	—	.31	+ 0.1
Clare	3	—	.41	—
Clinton	4	—	.44	− .02
Crawford	1	—	1.00	—
Delta	6	+ 1	.26	+ .01
Dickinson	5	+ 2	.35	− .02
Eaton	7	+ 1	.40	− .07
Emmet	4	—	.38	− .05
Genesee	9	+ 2	.32	− .10
Gladwin	2	—	.52	− .01
Gogebic	4	—	.29	+ .01
Grand Traverse	5	+ 1	.29	− .06
Gratiot	5	—	.24	+ .01
Hillsdale	6	—	.27	− .01
Houghton	5	—	.23	− .01
Huron	9	—	.18	− .01
Ingham	12	+ 2	.22	− .03
Ionia	8	+ 1	.30	—
Iosco	3	—	.35	− .03
Iron	4	—	.27	+ .01
Isabella	6	+ 1	.32	—
Jackson	7	− 1	.38	—
Kalamazoo	5	—	.31	− .03
Kalkaska	1	—	1.00	—
Kent	15	+ 2	.32	—

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Michigan Economic Indicators

Item	Year previous of latest month	Previous month	Latest month
Manufacturing workers:			
Average weekly hours, Michigan	42.5	41.1	40.5 (Aug.)
Average weekly hours, U.S.	40.4	40.0	40.0 (Aug.)
Average hourly earnings, Michigan ($)	8.05	8.79	8.63 (Aug.)
Average hourly earnings, U.S. ($)	6.16	6.71	6.68 (Aug.)
U.S. motor vehicle production (units)	1,037,150	582,982	805,186 (Sep.)
Michigan electricity usage (mil. kwh.)	5,616	5,779	5,870 (May)
Industrial (mil. kwh.)	2,770	2,729	2,873 (May)
Residential (mil. kwh.)	1,631	1,741	1,680 (May)
Raw steel production:			
Michigan (000 net tons)	940	968	942 (Aug.)
United States (000 net tons)	11,550	11,821	11,309 (Aug.)
Consumer price index (1967 = 100)			
Detroit area	194.6	219.5	222.2 (Aug.)
United States	196.7	218.9	221.1 (Aug.)
U.S. wholesale price index (1967 = 100)	212.4	238.1	241.7 (Sep.)
Michigan farm prices received index (1967 = 100)	217	233	224 (Aug.)

SOURCES: U.S. Bureau of the Census; U.S. Bureau of Labor Statistics; Michigan Crop Reporting Service; Motor Vehicle Manufacturers Association, Inc.; American Iron and Steel Institute; and Edison Electric Institute.

Contracts for Future Building, First 8 Months: 1978 and 1979

(Thousands of dollars)

Area	Nonresidential			Residential			Total[a]		
	1978	1979	Percentage change	1978	1979	Percentage change	1978	1979	Percentage change
Ann Arbor	41,779	56,122	+ 34	63,034	52,221	− 17	104,813	108,343	+ 3
Battle Creek	14,751	16,907	+ 15	19,963	30,239	+ 51	34,714	47,146	+ 36
Bay City	6,692	6,506	− 3	12,215	10,855	− 11	18,907	17,361	− 8
Detroit	559,204	690,007	+ 23	724,619	831,963	+ 15	1,283,823	1,521,970	+ 19
Flint	49,505	41,977	− 15	68,066	63,612	− 7	117,571	105,589	− 10
Grand Rapids	103,334	154,666	+ 50	136,669	131,720	− 4	240,003	286,386	+ 19
Jackson	10,571	14,575	+ 38	16,056	13,584	− 15	26,627	28,159	+ 6
Kalamazoo-Portage	13,335	29,163	+100	57,046	49,488	− 13	70,381	78,651	+ 12
Lansing-East Lansing	49,137	60,839	+ 24	85,154	119,489	+ 40	134,291	180,337	+ 34
Muskegon-Norton Shores-Muskegon Heights	20,579	14,471	− 30	23,274	20,124	− 14	43,853	34,595	− 21
Saginaw	54,840	22,881	− 58	36,827	38,616	+ 5	91,667	61,497	− 33
Michigan	1,072,735	1,282,097	+ 20	1,640,007	1,769,579	+ 8	2,712,742	3,051,676	+ 12
United States	29,389,875	33,773,731	+ 15	50,677,857	52,621,199	+ 4	80,067,732	86,394,930	+ 8

SOURCE: F. W. Dodge Division of McGraw-Hill Information Systems Company, news releases.

NOTE: Battle Creek includes Barry and Calhoun counties; Detroit includes Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties; Flint includes Genesee and Shiawassee counties; Grand Rapids includes Kent and Ottawa counties; Kalamazoo-Portage includes Kalamazoo and Van Buren counties; Lansing-East Lansing includes Clinton, Eaton, Ingham, and Ionia counties; and Muskegon-Norton Shores-Muskegon Heights includes Muskegon and Oceana counties.

a. Excludes nonbuilding construction contracts. This category comprises streets and highways, bridges, dams, reservoirs, river and harbor developments, sewerage and water supply systems, missile and space flight facilities, airports, utilities, and communication systems. For Michigan the 1978 and 1979 figures for nonbuilding construction contracts were $1,349,796,000 and $690,110,000 respectively, or a decrease of 49 percent. U.S. figures for nonbuilding construction contracts were $28,649,674 and $29,336,522, or an increase of 2 percent.

Trends in Michigan Bank Concentration

(Continued from page 3)

lead banks of the five largest bank holding companies held almost 90 percent of the deposits of the organization. In 1978, this figure had dropped to 76 percent. Lead bank deposits as a percentage of total state deposits declined from 42.9 percent to 37.5 percent. Of these five organizations, only one, Michigan National, is headquartered outside Detroit. The trend away from lead bank deposit concentration may be viewed as a trend away from the big city banks, possibly to the benefit of other areas of the state.

TABLE 2 (Cont.)
Concentration of Bank Resources on June 30, 1978, and Change in Concentration since June 30, 1973

County	Number of organizations 6/30/78	Change in organizations since 6/30/73	H index 6/30/78	Change in H index since 6/30/73
Keweenaw	1	—	1.00	—
Lake	1	—	1.00	—
Lapeer	7	—	.29	− .01
Leelanau	3	—	.44	− .11
Lenawee	11	—	.14	—
Livingston	6	+ 1	.30	—
Luce	1	—	1.00	—
Mackinac	3	+ 2	.80	− .20
Macomb	19	− 3	.11	+ .02
Manistee	2	—	.50	—
Marquette	5	—	.42	+ .19
Mason	3	—	.34	—
Mecosta	3	—	.51	+ .02
Menominee	4	—	.30	− .01
Midland	4	+ 1	.50	− .01
Missaukee	2	—	.74	− .08
Monroe	8	+ 2	.31	− .04
Montcalm	7	− 2	.17	—
Montmorency	2	—	.64	+ .04
Muskegon	5	+ 1	.30	− .02
Newaygo	5	− 1	.20	− .03
Oakland	24	− 2	.11	—
Oceana	3	—	.47	—
Ogemaw	3	—	.51	− .05
Ontonagon	3	—	.35	− .01
Osceola	3	—	.31	—
Oscoda	1	—	1.00	—
Otsego	2	+ 1	.82	− .18
Ottawa	11	+ 2	.20	+ .03
Presque Isle	3	—	.43	− .02
Roscommon	2	—	.71	− .03
Saginaw	8	+ 1	.30	—
St. Clair	8	+ 1	.23	− .03
St. Joseph	8	− 1	.18	—
Sanilac	7	—	.25	− .03
Schoolcraft	2	—	.50	—
Shiawassee	7	+ 1	.34	− .02
Tuscola	12	+ 1	.12	—
Van Buren	7	− 1	.24	+ .02
Washtenaw	13	+ 2	.16	− .04
Wayne	21	—	.19	− .03
Wexford	3	—	.61	− .04

SOURCES: Special release of branch deposit data from Federal Deposit Insurance Corporation, Washington, D.C., 30 June 1973-30 June 1978; and Financial Institutions Bureau, Michigan Department of Commerce, *Annual Report* (Lansing: 1973 and 1978).

LOCAL CONCENTRATION OF DEPOSITS

The competition among organizations on a statewide basis is of little consequence to the individual or the business person who deals with the readily accessible local banker. Local competition among banks may be more important in determining the price and quality of service to these individuals. This part of the study analyzes the change in concentration on the local level since the banking law revision. The period of study is June 30, 1973, to June 30, 1978. Earlier data on distribution of deposits by branch are not readily available. For statistical convenience, the county is chosen as the unit of analysis, although a more thorough investigation would consider such factors as shopping and traffic patterns within a community to demarcate the local market. Considerable effort is spent defining these markets when a new branch or bank is proposed. However, for purposes of determining broad area trends in concentration, an analysis by county is adequate.

All deposits held by the branches of the same bank holding company or organization were aggregrated to compute the market share. An index was then computed for each county for 1973 and 1978.

> The Herfindahl index (H) is computed by squaring the market share for each institution and totaling these shares for all institutions in the relevant market. It gives more information about a market than the conventional concentration ratio because it takes into account all firms in a market and also indicates the inequality among firms in a market. Consider two markets consisting of five firms each. In the first market, each firm controls 20 percent of the market whereas in the second, the largest firm controls 60 percent while the other four firms control 10 percent each. H for the first market is .20 while it is .40 in the second. Although the conventional concentration ratio would be 1.0 in either case, the H index indicates that the second market is less competitive than the first.[2]

The results of the H index showed few dramatic increases in concentration that could be attributed to the increase in bank holding companies. In fact, more than 80 percent of the counties showed either no change or a net decline in the H index (see Table 2). In addition, the number of organizations competing in a market either increased or showed no change in nearly 90 percent of the counties.

Of the fifteen counties that registered an increase in H, only five had an increase of .03 or more. Of the nine counties that showed a decrease in the number of competing organizations, only three were accompanied by an increase in concentration as indicated by a higher H value. The data for each of the seven counties that showed significant changes has been examined to determine how market shares shifted to increase the H index. Shifts were caused by internal growth, creation of banks and combination of existing banks (see Table 3).

The use of the H index is not without its problems.

(1) The deposit information used to calculate market share is based on estimates of distribution provided by the banks to the Federal Deposit Insurance Corporation. These estimates may knowingly or unknowingly misrep-

resent the relative importance of the branches within a county.

(2) The county is a crude measure of relevant market area.

(3) The measure of competition, that is, concentration of deposits, may not be a representative yardstick. Other factors to consider in determining competition may be availability and cost of lendable funds and the availability, cost, and quality of service.

(4) Finally, alliances and informal or formal organization structure may have been in existence before the bank holding company laws were revised but were not taken into account by this study. To the extent that these arrangements existed, the bank holding company revisions have had less effect on concentration than indicated.

With the possible exceptions discussed earlier, this analysis has found no conclusive evidence that bank holding companies have greatly increased concentration on either the state or local level. However, since the passage of the revised bank holding company laws, concentration on a statewide basis has fluctuated. In 1978 it was higher than in 1972. By contrast, concentration on the local level appears to have decreased since revision.

TABLE 3

Changes in Market Shares of Deposits that Resulted in an Increase in the H Index, June 30: 1973–1978

	June 30, 1973 (percentage)[a]	*June 30, 1978 (percentage)*
Barry		
The Hastings City Bank	39.2	50.4
Cass		
Pacesetter Financial Corporation		39.2
The First National Bank of Cassopolis	18.2	
First National Bank of Southwestern Michigan	20.8	
Marquette		
Michigan Financial Corporation		61.3
The First National Bank & Trust Co. of Marquette	35.8	
The Gwinn State Savings Bank	4.6	
The Miners' First National Bank & Trust Company of Ishpeming	16.7	
Macomb		
Detroit Bank Corporation		21.0
The Detroit Bank	14.5	
The Detroit Bank–Warren	3.5	
The Detroit Bank–Sterling	b	
Montmorency		
Lewiston State Bank	72.9	76.2
Ottawa		
Old Kent Financial Corporation		22.6
Old Kent Bank & Trust	5.3	
Peoples Bank & Trust of Holland	17.7	
First Michigan Bank & Trust	26.1	29.6
Van Buren		
American National Holding Company		15.5
American National Bank & Trust–Kalamazoo	8.3	
American National Bank & Trust–West	b	

SOURCES: Special release of branch deposit data from Federal Deposit Insurance Corporation, Washington, D.C., 30 June 1973–30 June 1978; and Financial Institutions Bureau, Michigan Department of Commerce, *Annual Report* (Lansing: 1973 and 1978).
a. Only the shifts that resulted in the largest increases of the H index for each county have been recorded.
b. These banks did not exist or had no deposits in the county in 1973.

CITATIONS

1. Douglas V. Austin, *Revolution and Evolution of the Michigan Banking Structure, 1960–1972* (Toledo, Ohio: The Financial Institutions Academy, Business Research Center, College of Business Administration, The University of Toledo, 1973).
2. Haskins & Sells, *Final Report to the Governor's Advisory Commission on the Regulation of Financial Institutions on the Study of Financial Intermediaries in Michigan* (Lansing: 1977), p. II-3.8.

Effects of Exports

(Continued from page 2)

prove the opportunities for producers to bid on government procurement contracts overseas.

The Tokyo Round will benefit this state particularly in indirect exports, since Michigan is the major source of automotive components and has an expanding capacity to produce them. The state's machinery producers and pharmaceutical manufacturers also will be favorably affected.

Michigan is the major producer of tart cherries and navy beans. Those industries also received important trade concessions, particularly from Japan.

BRIEFS

Michigan ranked third among the states, behind Alaska and California, in average **earnings for full-time state government employees** according to the most recent quinquennial Census of Governments. The pay figures pertain to October 1977 and exclude instructional personnel such as college faculty. In average pay level among noninstructional full-time employees of local units of government, Michigan ranked seventh.

Table 1 lists Michigan counties according to their ranking on the latter criterion.

TABLE 1

Listing of Michigan Counties According to Ranking in Average October Earnings of Full-Time Noninstructional Employees in Local Government: 1977

County	*Earnings 1977*	*County*	*Earnings 1977*
Wayne	$1,276	Bay	$965
Washtenaw	1,168	Alpena	962
Oakland	1,149	Monroe	960
Macomb	1,138	Mason	939
Genesee	1,111	Clinton	937
St. Clair	1,086	Isabella	934
Ingham	1,073	Alcona	931
Kalamazoo	1,070	Alger	928
Midland	1,053	Lenawee	928
Calhoun	991	Eaton	925
Grand Traverse	987	Muskegon	921
Kent	987	Marquette	920
Jackson	971	Livingston	919
Saginaw	967	Cass	913

TABLE 1 (Cont.)
Listing of Michigan Counties According to Ranking in Average October Earnings of Full-Time Noninstructional Employees in Local Government: 1977

County	*Earnings 1977*	*County*	*Earnings 1977*
Gogebic	$913	Houghton	$835
Ionia	911	Mackinac	834
Ottawa	905	Van Buren	832
Shiawassee	903	Baraga	828
Cheboygan	892	Sanilac	827
Montcalm	892	Menominee	824
Dickinson	884	Iron	819
Berrien	883	Charlevoix	815
Branch	883	Oceana	812
Presque Isle	880	Newaygo	807
Allegan	877	Chippewa	805
Leelanau	877	Oscoda	804
Delta	873	Iosco	803
Roscommon	873	Mecosta	803
Wexford	871	Lake	801
Manistee	870	Hillsdale	799
Lapeer	868	Schoolcraft	796
Clare	866	Ontonagon	782
Montmorency	866	Kalkaska	768
Crawford	864	Ogemaw	767
Emmet	857	Otsego	767
Barry	856	Keweenaw	750
Arenac	854	Missaukee	749
Tuscola	853	Osceola	745
Huron	852	Luce	744
Gladwin	848	Antrim	742
St. Joseph	845	Michigan, Local[a]	1,095
Benzie	844	Michigan, State[b]	1,207
Gratiot	842		

SOURCE: Bureau of the Census, *1977 Census of Governments*, Vol. 3, *Public Employment*, No. 2: *Compendium of Public Employment* (Washington, D.C.: U.S. Government Printing Office, 1979), Tables 11 and 16.
NOTE: Instructional employees, which are excluded, comprise classroom teachers, professors, lecturers, and so forth, as well as principals, supervisors of instruction, librarians, guidance personnel, teacher aides, library aides, persons engaged in departmental research, teachers at hospitals, and teachers at agricultural experiment stations and farms.
a. Average for local governments in Michigan.
b. Average of State of Michigan noninstructional employees.

The **annual cost of an intermediate standard of living** for a retired couple in the Detroit area was $7,965 during autumn 1978, according to figures recently released by the U.S. Bureau of Labor Statistics. The BLS tabulates the cost of three budgets for hypothetical goods and services that were specified in the mid-1960s as portraying three relative levels of living in thirty-nine metropolitan areas; four nonmetropolitan urban regions; and Anchorage, Alaska. The levels are lower (but above poverty or subsistence), intermediate, and higher. For the thirty-nine metropolitan areas, the average was $8,108, a figure which should not be regarded as significantly higher than that for the Detroit six-county area of Wayne, Oakland, Macomb, Livingston, Lapeer, and St. Clair. The costs of lower budgets for retired couples were $5,617 in the thirty-nine areas and $5,577 in Detroit. Higher budget costs were $12,069 and $12,265, respectively. At all three budget levels, the least costly area was the nonmetropolitan urban South, the highest was Anchorage, Alaska.

Huron, Sanilac, and Allegan counties were the top three in **total cash receipts from farm marketings** during 1977 in Michigan, according to figures recently released by the Bureau of Economic Analysis, an agency of the U.S. Department of Commerce. These counties had the greatest dollar volume because of their top ranking in sales of livestock and livestock products. In cash receipts from crop marketings alone, Saginaw, Berrien, and Tuscola counties were above all others in the state. Counties at the bottom of the ranking in cash receipts from agriculture are all located in northern portions of the state.

Michigan Counties Ranked According to Cash Receipts from Total Marketings: 1977
(Millions of dollars)

County	*1977*	*County*	*1977*
Huron	98	Midland	14
Sanilac	79	Mason	13
Allegan	72	Menominee	13
Lenawee	71	Missaukee	12
Tuscola	71	Arenac	12
Saginaw	68	Osceola	11
Ottawa	65	Wayne	11
Berrien	59	Antrim	10
Kent	55	Manistee	7
Gratiot	54	Presque Isle	7
Van Buren	51	Ogemaw	7
Lapeer	45	Clare	7
Monroe	43	Delta	6
Clinton	43	Gladwin	6
Ionia	43	Alpena	6
Calhoun	41	Benzie	5
Hillsdale	40	Dickinson	5
Ingham	40	Iosco	4
Bay	39	Chippewa	4
Cass	39	Charlevoix	4
Washtenaw	37	Wexford	4
Montcalm	37	Emmet	3
St. Joseph	36	Houghton	3
Kalamazoo	35	Cheboygan	3
Branch	35	Alcona	3
St. Clair	34	Oscoda	2
Isabella	34	Montmorency	2
Jackson	32	Otsego	2
Shiawassee	32	Mackinac	2
Eaton	31	Iron	2
Oceana	27	Ontonagon	1
Macomb	25	Marquette	1
Newaygo	25	Alger	1
Genesee	24	Kalkaska	1
Barry	23	Lake	1
Livingston	21	Gogebic	1
Muskegon	19	Baraga	1
Mecosta	18	Luce	1
Leelanau	17	Schoolcraft	1
Grand Traverse	16	Roscommon	a
Oakland	15	MICHIGAN[b]	1,885

SOURCE: Bureau of Economic Analysis, Regional Economics Information System.
a. Less than $500,000.
b. Keweenaw and Crawford counties have no cash receipts reported.

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